



Retirement: Are You Ready?

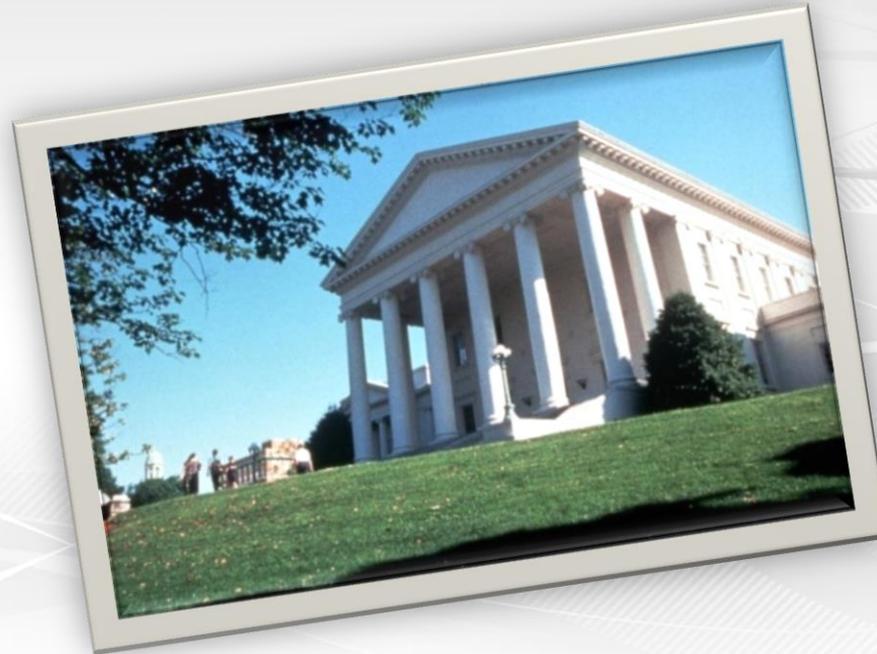




What Does It Mean to Be a Member of VRS?

- Plan 1 & Plan 2
- Retirement Eligibility

VRS Plan 1 – your membership date is before July 1, 2010
and you were vested as of January 1, 2013



VRS Plan 2 – your membership date is before July 1, 2010 and
you weren't vested as of January 1, 2013 or
your membership date is on or after July 1, 2010

Plan 2

60

AFC

PAYROLL





Tuesday
Last Login

Saved Est

Create N

YOUR MBP 2011

VIRGINIA RETIREMENT SYSTEM

As of June 30, 2011

Your annual Member Benefit Profile (MBP) provides information about your retirement and other benefits you have as a member of the Virginia Retirement System (VRS) Plan 1.

These benefits play an important role in your total compensation package and your future income security when you retire. Your VRS defined benefit plan provides a lifetime monthly benefit, with annual cost-of-living adjustments (COLAs) beginning July 1 of the second calendar year after you retire, when provided. The Commonwealth's 457 Deferred Compensation Plan also makes saving for retirement easy with automatic deductions from your paycheck. And, you are eligible for a full Social Security benefit when you reach your Social Security normal retirement age and may qualify for a benefit as early as age 62.

- 2 Estimated Retirement Income
- 3 myVRS Planning Tools
- 4 Other VRS Benefits
- 4 Leaving Employment Before You Retire
- 4 Helpful MBP Links

Benefit Snapshot

Prepared for Jane Member as of June 30, 2011. Your plan is administered by the Virginia Retirement System on behalf of your employer.

Birth Date: November 1962

VRS Membership Date: August 1999

VRS Member Contribution Account Balance	Contributions at 6/30/2011	Account Interest	Total Contributions and Interest	Taxable Balance	Non-Taxable Balance
<i>(funds you or your employer contributes to your account)</i>	\$32,201.84	\$6,636.82	\$38,838.66	\$38,838.66	\$0.00

VRS Retirement	Retirement Date	Age at Retirement	Service Credit at Retirement	Estimated Monthly Benefit
Earliest Unreduced Retirement	11/01/2017	65 Yrs. 00 Mos.	26 Yrs. 09 Mos.	\$1,391.88
Earliest Reduced Retirement	11/01/2011	59 Yrs. 00 Mos.	20 Yrs. 09 Mos.	\$703.95

Commonwealth of Virginia 457 Deferred Compensation Plan	Pre-Tax Funds	After-Tax Funds	Total Funds	Estimated Annual Pre-Tax Contributions
457 Plan Account Balance	\$8,582.00	\$0.00	\$8,582.00	\$500.00

Group Life Insurance Benefits	Employee	Spouse	Children
Basic Group Life Natural Death Benefit (2 x annual salary)	\$74,000.00	N/A	N/A
Optional Group Life Natural Death Benefit	\$37,000.00	\$18,500.00	Not Covered

Reduced

55 with at least five
years of service

50 with at least 10
years of service

Unreduced

65 with at least five
years of service

50 with at least 30
years of service



**VRS Plan 1
Members**



Reduced

60 with at least five years of service

Unreduced

Age + Service Credit = 90

Social Security Normal Retirement Age
with five years of service



Reduced

50 with at least five years of service

Unreduced

50 with at least 25 years of service

60 with at least five years of service

Purchase of Prior Service



Meet vesting requirement

Increase benefit amount

Meet eligibility for an unreduced
retirement benefit

Refunded
service

Sick leave
conversion

Other types
of service

Disability
credits

Military leave



2017 Purchase of Prior Service Changes – January 1, 2017

Changes to cost and method of purchase

Webinars are available to help you determine if you should purchase service now or wait until 2017

Webinars - <http://www.varetire.org/members/education/index.asp>

PPS Resources - <http://www.varetire.org/members/pps/pps-provisions.asp>

What Are My Retirement Options?

- Basic Benefit
- Survivor Option
- Partial Lump-sum Option Payment
- Advance Pension Option



Basic Benefit

Survivor Option

**Partial Lump-sum
Option Payment**

**Advance
Pension Option**

Highest maximum consistent benefit

Basic Benefit

Survivor Option

**Partial Lump-sum
Option Payment**

**Advance
Pension Option**

Monthly benefit for the retiree

Monthly benefit for the survivor
upon retiree's death

Basic Benefit

Survivor Option

**Partial Lump-sum
Option Payment**

**Advance
Pension Option**

Receive an additional lump sum payment up to three times your yearly benefit

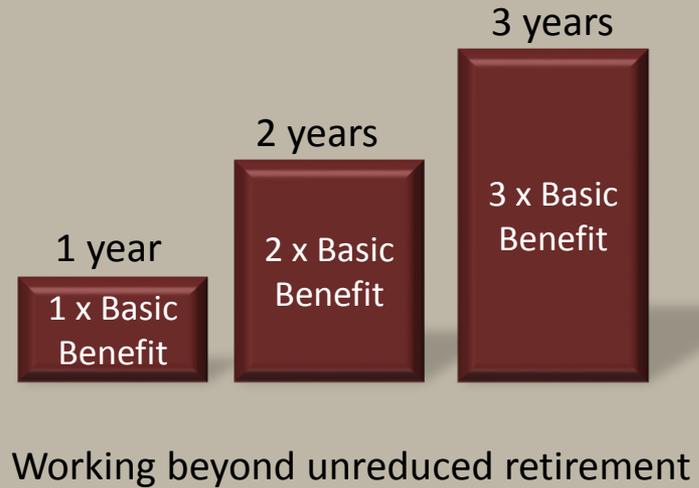
Coordinates with Basic Benefit or Survivor Option

Basic Benefit

Survivor Option

Partial Lump-sum
Option Payment

Advance
Pension Option



Basic Benefit

Survivor Option

**Partial Lump-sum
Option Payment**

**Advance
Pension Option**

Balanced income during retirement
when coordinated with Social Security

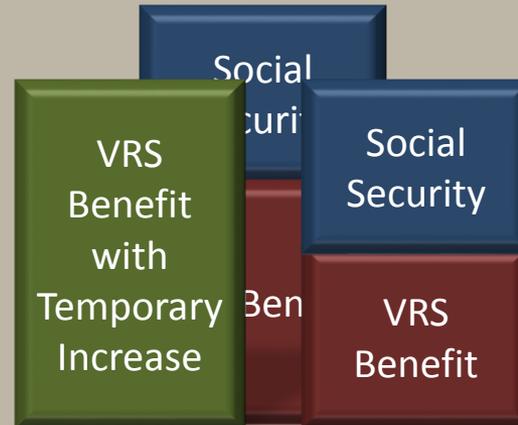
Basic Benefit

Survivor Option

**Partial Lump-sum
Option Payment**

**Advance
Pension Option**

APO



Age 60-64

Age 64+

Basic Benefit

Survivor Option

**Partial Lump-sum
Option Payment**

**Advance
Pension Option**

Social Security estimate requirements:

Based on age for reduced
VRS benefit

Assumes no future income

Dated within 12 months

Basic Benefit

Survivor Option

**Partial Lump-sum
Option Payment**

**Advance
Pension Option**

Not available under 50/10

Stand alone option



AFC

\$56,000

Service
Credit

24 years

Age

57 years



Basic Benefit

Monthly benefit: \$ 1,241.41

Advance Pension Option

Benefit before age 62: \$ 1,977.61

Benefit after age 62: \$777.61

Social Security at age 62: \$ 1,200.00



Basic Benefit without the PLOP

Monthly benefit: \$ 2,459.33

Partial Lump-sum Option Payment

Monthly benefit: \$2,256.50

One year PLOP: \$29,511.96



myVRS

Run an estimate 12-18 months before retirement

Use *myVRS* to compare options



Action Plan



Complete any purchase of prior service



Run a retirement estimate in *myVRS*



Consult a financial advisor

What Else Do I Need to Think About for Retirement?

- **Defined Contribution Plan**
- **Health Insurance**
- **Health Insurance Credit**
- **Life Insurance**



Defined Contribution Plans

Consider catch-up provisions

Research rollover options

Take advantage of cash match

Research distribution options



Health Insurance



Contact your employer
about available health
insurance plans

Health Insurance Credit



Must pay a monthly health insurance premium

Must have 15 years of service



State
\$4.00



Teacher
\$4.00



Political Subdivision
\$1.50



Local Social
Services Employees
\$1.50/\$2.50



General
Registrar
\$1.50/\$2.50



Local Officers
\$1.50/\$2.50

Basic Life Insurance

Continues at no cost

Natural and accelerated
death benefit continue

Begins to reduce at retirement

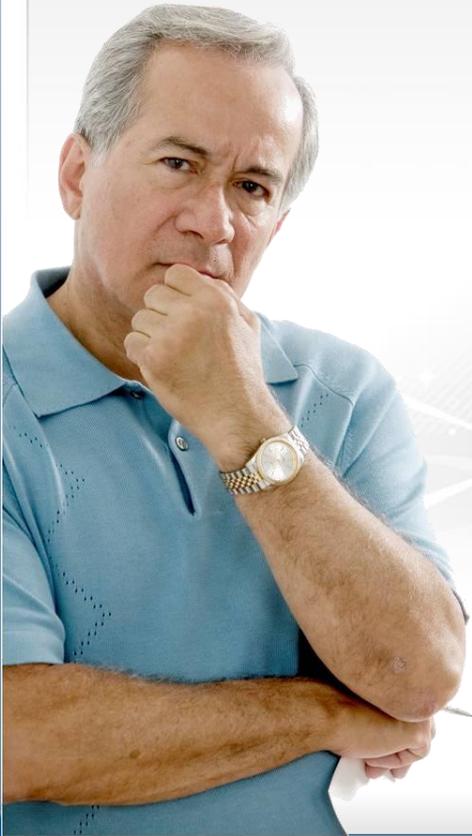


Optional Life Insurance

Convert at non-group rates

or

Continue coverage at active
member group rates



Action Plan



Increase your DCP contributions



Research health insurance costs



Evaluate your life insurance needs

What Happens if Things Don't Go as Planned?

- Disability
- Long Term Care
- Death in Service
- Return to Work



Disability Retirement



Basic Benefit or Survivor Option only

VSDP

Short-term disability

Long-term disability

Long-term care



Commonwealth of Virginia Voluntary Group Long- Term Care Insurance Plan



Eligibility requirements for some

Available to family members

No eligibility restrictions at retirement

Death in Service

Work Related:

Monthly benefit and refund

Non-Work Related (non-vested):

Refund

Non-Work Related (vested):

Monthly benefit or refund



Order of Precedence



Return to Work

*Full-time VRS-covered position
benefit stops*

*Part-time position with the
same employer –
break in service required*

*Part-time position with a
different employer –
no break in service required*



Action Plan



Evaluate your long-term care needs



Make sure your beneficiary designation is up to date



Consider ramifications of working after retirement

Resources



Website

<http://www.varetire.org>



Email

vrs@varetire.org



Phone

(888) VARETIR (827-3847)



Mail

Virginia Retirement System
P.O. Box 2500
Richmond, VA 23218-2500



Counseling

8:30 a.m.–4:00 p.m.
Monday – Friday
1111 East Main Street
Richmond, VA 23219



Retirement: Are You Ready?

